



**SOCIAL  
PURPOSE  
INSTITUTE**  
AT UNITED WAY

# SOCIAL PURPOSE IN FAMILY BUSINESSES

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**SOCIAL  
PURPOSE  
INSTITUTE**  
AT UNITED WAY



**FAMILY  
ENTERPRISE  
XCHANGE**



# OVERVIEW

- What is Social Purpose for Business?
- Why Social Purpose?
- How to define a Social Purpose?
- Some Examples



LARRY FINK'S LETTER TO CEOs

*“To prosper over time, every company must not only deliver financial performance, but also show how it makes a positive contribution to society.”*

*“Society is demanding that companies, both public and private, serve a social purpose.”*

*- Larry Fink, BlackRock CEO, January 2018*

# WHAT IS SOCIAL PURPOSE?





# SOCIAL PURPOSE BUSINESS

Social Purpose Business is a company whose enduring reason for being is to create a better world. It is an engine for good, creating social benefits by the very act of conducting business. Its growth is a positive force in society.

- ✦ Reason company exists
- ♥ Societal Ambition
- 💰 Profit Model



## WHAT A SOCIAL PURPOSE IS NOT

- Not possible today
- Not a wrap around for efforts
- Not an initiative
- Not marketing, tagline, slogan, campaign
- Not objective of CSR strategy
- Not altruism, morality or giving back
- Not philanthropy

# WHAT A SOCIAL PURPOSE IS

- ✓ Core to the business model
- ✓ A guide for Strategic decisions
- ✓ Aspirational
- ✓ An enduring North Star, a quest, forever pursued

# SOCIAL PURPOSE CONTINUUM: CSR TO SP



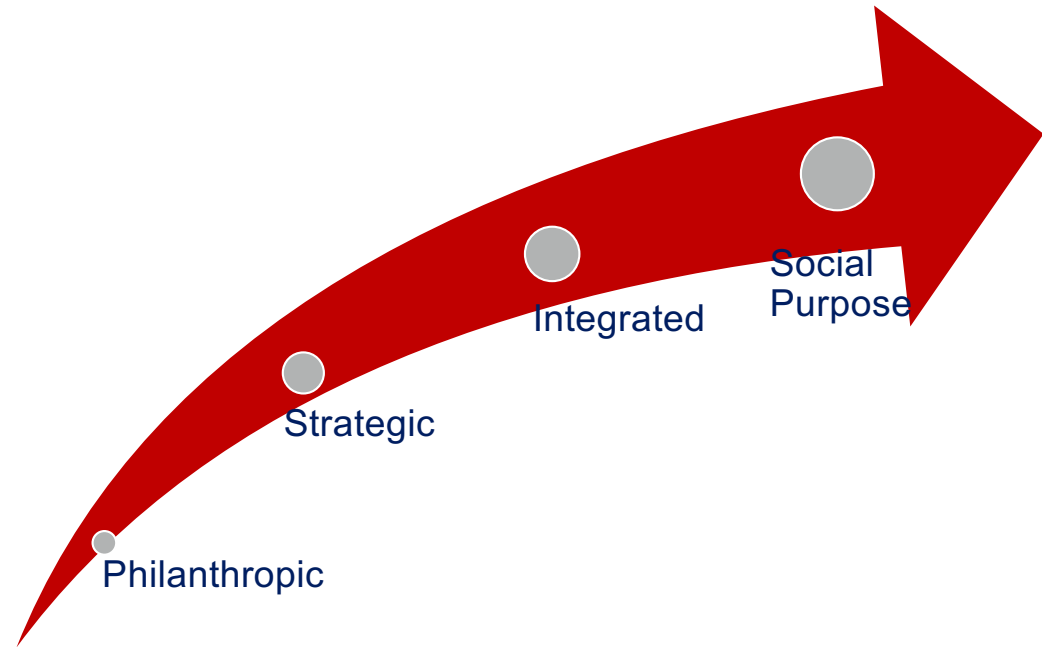
## CORPORATE SOCIAL PURPOSE CONTINUUM

Social Purpose is an emerging business trend in which companies bring their unique set of corporate assets to address social challenges and improve social conditions through their business. This benefits companies by growing the business and strengthening the work they do, the environment in which they operate and the relationships they have with customers, community and the public. It also helps create stronger communities and thriving societies.

The Social Purpose Institute at United Way is providing this continuum as a tool to help companies recognize how they can take their CSR, corporate affairs and community relations to the next level – towards embedding Social Purpose at their core. It can help businesses identify where they are today, and what the benefits – and strategies – are to moving up on the continuum.

**A TRANSFORMATIONAL TOOL FOR BUSINESS**

	1.0 Philanthropic	2.0 Strategic	3.0 Integrated	4.0 Social Purpose
<b>MOTIVATION</b>	Give back or PR	Achieve results	Be more competitive	Build a better world
<b>ACTIVITY</b>	Ad hoc Donations	CI vision, goals & targets + Volunteering & in-kind	CSR vision Core competencies & assets	Business purpose Mission Whole of enterprise
<b>STRATEGY</b>	Side-lined	Siloed	Component of corporate strategy	Central to / inseparable from corporate strategy
<b>RESOURCES</b>	Grants budget	+ Volunteering & staff skills	+ Other assets, functions, products & services	+ Leveraged collective resources
<b>INVESTMENT MODELS</b>	Profit allocation	Community investments	R&D innovation investments	Value creation
<b>ISSUE SELECTION</b>	Respond to community requests / where most PR value can be gained	Address community needs	Deliver strategic positioning	Address complex social challenges
<b>LEAD</b>	Community relations manager	CSR manager	Chief strategy or sustainability officer	CEO
<b>EMPLOYEE ROLE</b>	Donors via payroll	Skills-based volunteering	Performance plans & daily decision-making	At work, at home & in community
<b>CUSTOMER ROLE</b>	None	Volunteer & donate	Join & co-create	Customer movement
<b>BRAND PROMISE</b>	Quality: aware company donates money	Trust: aware of how company contributes to community	Pride: aware of company's socially beneficial impacts	Meaning: believe society is better off if they do business with the company & that as customers they are part of a social movement
<b>MARKETING</b>	Paid advertising tells story	Earned media / cause marketing tell story	Customers tell story	Everything you do tells story
<b>PARTICIPATION</b>	Passive	Strategic partnerships	Multi-stakeholder collaborations	Innovation labs for system change
<b>TIMELINE</b>	< 1 year	Multi-year	Medium term	Long term
<b>MEASUREMENT</b>	Inputs	Activities	Outcomes	Impact
<b>BUSINESS VALUE</b>	Goodwill	Reputation	Profitability	Long-term viability



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Developed by Cate Sheehy, President of Sheehy Consulting ([www.sheehyconsulting.com](http://www.sheehyconsulting.com))



[www.socialpurpose.ca](http://www.socialpurpose.ca)



# WHY SOCIAL PURPOSE?



# SOCIAL PURPOSE AND FAMILY ENTERPRISES



# SOCIAL PURPOSE AND FAMILY ENTERPRISES

- Strong Values
- Accountability to Future Generations
- Legacy Aspect
- Agile and Able to Pivot
- Efficient Decision Making Processes



# SOCIAL PURPOSE AND FAMILY ENTERPRISES

*“We are long-term, engaged owners; and that means we develop companies with a focus on long-term competitiveness and their relationship with society at large. That includes of course employees, shareholders, and customers. The better you deal with all the different stakeholders, the better a company will perform.”*

- Jacob Wallenberg, chair of Investor AB, Sweden’s largest investment company and the 5<sup>th</sup> generation of Sweden’s leading business family, going back 160 years





# BUSINESS BENEFITS OF SOCIAL PURPOSE



# BUSINESS BENEFITS OF SOCIAL PURPOSE

## CUSTOMER COMMITMENT

Attract and Retain Customers  
& Build Customer Brand  
Advocacy

## EMPLOYEE ENGAGEMENT

## STAKEHOLDER RELATIONSHIPS

## SOCIAL CAPITAL

## FINANCIAL PERFORMANCE

## INNOVATION GENERATION

# BUSINESS BENEFITS OF SOCIAL PURPOSE

CUSTOMER COMMITMENT

EMPLOYEE ENGAGEMENT

Recruit, Retain and Motivate  
Employees & Build Employee  
Brand Advocacy

STAKEHOLDER RELATIONSHIPS

SOCIAL CAPITAL

FINANCIAL PERFORMANCE

INNOVATION GENERATION

# BUSINESS BENEFITS OF SOCIAL PURPOSE

CUSTOMER COMMITMENT

EMPLOYEE ENGAGEMENT

STAKEHOLDER RELATIONSHIPS

Strengthen Third-Party Relationships & Enable Collaboration

SOCIAL CAPITAL

FINANCIAL PERFORMANCE

INNOVATION GENERATION

# BUSINESS BENEFITS OF SOCIAL PURPOSE

CUSTOMER COMMITMENT

EMPLOYEE ENGAGEMENT

STAKEHOLDER RELATIONSHIPS

**SOCIAL CAPITAL**

Strengthen Operating Context  
& Increase Trust

FINANCIAL PERFORMANCE

INNOVATION GENERATION

# BUSINESS BENEFITS OF SOCIAL PURPOSE

CUSTOMER COMMITMENT

EMPLOYEE ENGAGEMENT

STAKEHOLDER RELATIONSHIPS

SOCIAL CAPITAL

**FINANCIAL PERFORMANCE**  
Enhance Financial Performance; Increase Access to Capital & Manage Risk

INNOVATION GENERATION

# BUSINESS BENEFITS OF SOCIAL PURPOSE

CUSTOMER COMMITMENT

EMPLOYEE ENGAGEMENT

STAKEHOLDER RELATIONSHIPS

SOCIAL CAPITAL

FINANCIAL PERFORMANCE

**INNOVATION GENERATION**

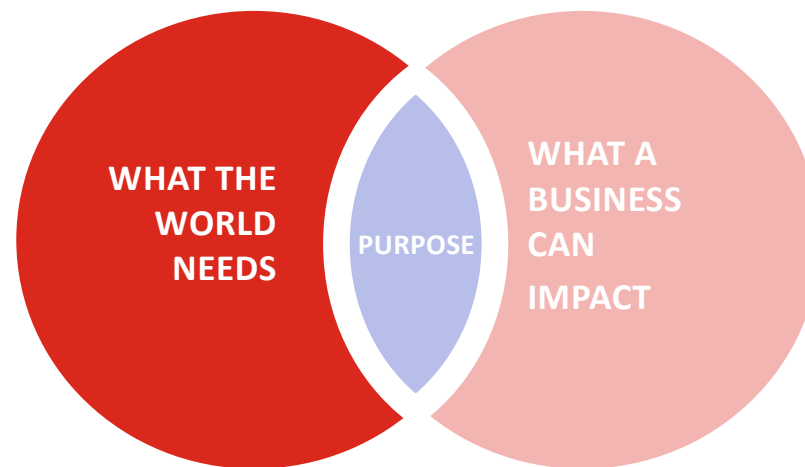
Increase Innovation; Enable Business Transformation & Enhance Resiliency

# DEFINING A COMPANY'S UNIQUE SOCIAL PURPOSE





# HOW TO DEFINE A SOCIAL PURPOSE?

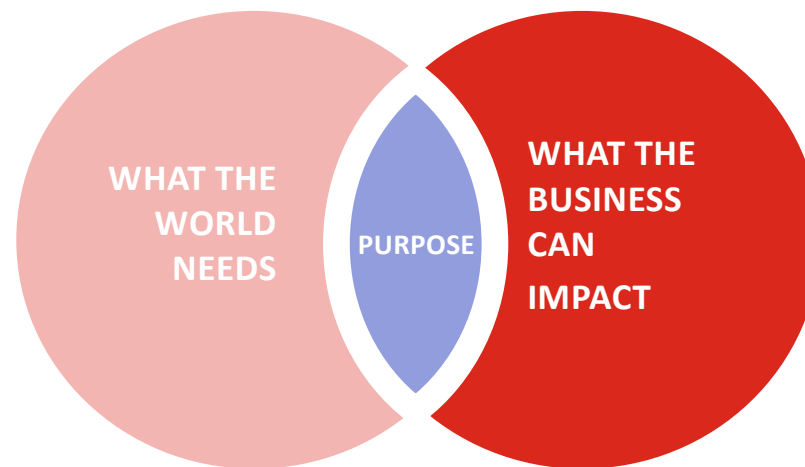


# SUSTAINABLE DEVELOPMENT GOALS +3



1. Indigenous equity
2. Aging population
3. Sense of belonging

# HOW TO DEFINE A SOCIAL PURPOSE?



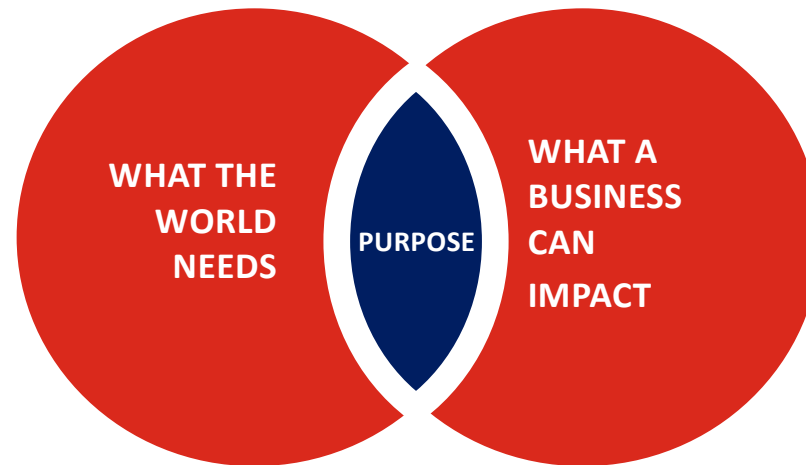
# HOW TO DEFINE ASOCIAL PURPOSE?

## Business Competencies & Assets



# HOW TO DEFINE A SOCIAL PURPOSE?

The **intersection** between  
**society's needs**  
and  
**what a business can impact** through its core Competencies & Assets  
creates **big, bold opportunities**



# SOCIAL PURPOSE EXAMPLES



**We exist to bring health through food to  
as many people as possible**

# SOCIAL PURPOSE AS A CATALYST FOR INNOVATION AND ACTIVISM



**We're in business to save our home planet**

# PURPOSE AS A DRIVER OF AUTHENTICITY AND FINANCIAL PERFORMANCE



**We exist to Help People on  
Their Path to Better Health**



# SOCIAL PURPOSE DURING COVID

**A clearly defined Social Purpose can:**

- Inform pivots
- Manage through turbulence
- Build back better

# THE SOCIAL PURPOSE INSTITUTE





## **SOCIETAL ISSUES & TRENDS**

**Responsible Consumption & Production**

**Sustainable Cities and Communities**

**Indigenous Equity**

**Climate Action**



## SOCIETAL ISSUES & TRENDS

## COMPETENCIES & ASSETS

Responsible Consumption & Production

Sustainable Cities and Communities

Indigenous Equity

Climate Action

Products & Services:

Community Relationships:

Community Donations:

Customer Relationships:

Facilities & Physical Plants:

Distribution Channels:

Physical Assets & Equipment:

Industry Relations:

Land Assets & Streetscapes:

Business Partnerships:

Employee Time, Skills & Expertise:

Hiring & training process:

Infrastructure:

Supplier Relations:

Government Relations:



## ABC RECYCLING'S SOCIAL PURPOSE

**We exist to preserve the world's resources,  
building thriving communities by accelerating metal recycling**





**We exist to create connections,  
build community and inspire actions  
that safeguard the health of the  
world's forests.**

**▲ Hemlock**





# THANK YOU!

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